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17 AUG 1961

MEMORANDUM FOR: Deputy Director/Intelligence

SUBJECT:

Reported Abnormalities in Supply

of Soviet Petroleum

In This memorandum is for your information and is concerned with recent reports of three and possibly four abnormalities in the supply or distribution of Soviet oil products in widely separated locations. Thus far, we have no information indicating that these reports are caused by Soviet steckpiling of petroleum or that the distribution of petroleum within the UNSR has been disrupted by unusual military movements in connection with the Berlin situation. A general requirement requesting additional information on this subject has been transmitted to DD/P.

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Swedish merchant snips have been delayed in three separate Soviet ports recently; in at least two of the cases the reason for the delay was stated to be a lack of bunker fuel at the particular port, and the third involved an unemplained delay at the Black Sea oil port of Tuapse. A Swedish freighter under Soviet charter is Leningrad since 7 August reportedly was unable to obtain 200 tons of bunkers. The second vessel, also a dry-cargo ship under Soviet charter, was in Marmansk from 8 to 14 August without being able to obtain bunker fuel. It was finally

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told to go to Norway for Ruel and return to Murmansk to load its cargo. The third ship, a large Swedish held up in Tuapse tanker, was for "two days" and was not yet loading. No reason was given for this delay.

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- Afchanistan states that as of 11 August Soviet deliveries of petroleum from Termez, USSR, to Afghan river ports on the Amu Darya had ceased for unknown remsons, and that gasoline shortages were beginning to be noticed in the Kabul area. Similar delays in Soviet shipments of POL to Afghanistan have occurred in the past, the latest case in late 1960 and early 1961 when the low level of the Amu Darya apparently prevented barges from transporting oil from Termez to the Afghan side of the river. As there is no reason to believe the river is low at present, this condition does not seem to explain the reported shortage.
- 4. A less reliable indication of Soviet PCL shortages is a report from Rangoon that the scheduled departure of a Burmese cultural mission to Moscow aboard a Burmose Viscount aircraft on 3 August was cancelled because no Soviet escort officer arrived and the Soviets did not give the required clearance. The rumor among Burmese airline personnel is that the USSR stated it could not provide fuel for the aircraft because of a shortage of fuel in the Moscow area. There is no other information on this alleged shortage.
- 5. All available evidence indicates that the USSR has sufficient quantities of petroleum to meet both domestic requirements and export commitments, and that it has adequate refining capacity as well. Problems of transporting petroleum to points within the USSR, which sometimes cause temporary local shortages, do not appear to apply to the difficulties mentioned in these reports. The reports involve

SUBJECT: Reported Abnormalities in Supply of Soviet Petroleum

three separate and widely dispersed transportation systems; Leningrad and Murmansk are supplied with oil by rail and sea; Tuages is supplied by pipeline; and Afghanistan is supplied by both rail and river barge.

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7. At present there is no conclusive evidence to explain the shortages noted in the reports discussed above. The apparent lack of bunker fuel at Leningrad and Murmansk may have been a temporary situation caused by heavy traffic on the Morthern Sea Houte. The delay of the Swedish tanker at Tuapee probably was temporary as other vessels have been loaded there in the past few days and departed on schedule. The Afghan problem is not unprecedented and may have occurred primarily because of the primitive systems involved. Although perhaps not applicable in all cases, the petroleum requirements of the Soviet harvest -- now in full swing -- may have caused temporary delays in shipments to certain reasons provide adequate explanation for the re-ported where the the available evidence does not suggest more than temporary, local shortages of petroleum in the USSR. Finally, diversion of either POL or transport facilities to military use, while not impossible, is not suggested by presently available data.

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OTTO E. GUTHE Assistant Director Research and Reports

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